MULTIMEDIA UNIVERSITY ®

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2019 / 2020

PBU0054 – FUNDAMENTALS OF BUSINESS MANAGEMENT

(All Sections)

5 MARCH 2020
9.00 AM – 11.00 AM
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 8 pages with 2 sections.

2. Attempt **ALL** questions in Section A and Section B. The distribution of the marks for each question is given.

3. Please write all your answers for Section A on the OMR form provided and all answers for Section B in the Answer Booklet provided.

SECTION A: Multiple Choice Questions (40 Marks)

1. Most of the organisation charts indicate the reporting relationships within a company. What does the reporting relationships represent?
   A. Mission
   B. Strategy
   C. Chain of command
   D. Organisational structure

2. When Aeon divides its store into men's department, women's department, sport's department and home's department, it is an example of _____.
   A. product departmentalisation
   B. customer departmentalisation
   C. geographic departmentalisation
   D. international departmentalisation

3. Burger King is one of the fast food businesses where most of the decision-making authority is held by upper-level management. What type of organisational structure does Burger King implement?
   A. Line
   B. Staff
   C. Centralised
   D. Decentralised

4. _____ is an organisational structure that relies on product departmentalisation.
   A. Matrix
   B. Divisional
   C. Functional
   D. International

5. Mr. Ernst, an accountant in Huawei's company who has the authority based on special expertise and usually involves in counselling and advising the company's financial matters. What does this authority call?
   A. Staff authority
   B. Line authority
   C. Matrix authority
   D. Delegated authority

6. When Proton Malaysia produces Proton X70 for mass consumption, what type of goods production method is being used by Proton?
   A. Make-to-stock
   B. Make-to-order
   C. High-contact system
   D. Low-contact system

Continued...

7. When a manager examining step-by-step procedures to reduce waste and inefficiency in the production, he is most centrally involved in _____.
   A. quality ownership
   B. performance analysis
   C. value-added analysis
   D. methods improvement

8. Suppose Bob bought a fast-food meal and he then judged whether the meal tastes good and is reasonably filling, he is trying to check how well the meal does what it is supposed to be. Which dimension of quality does this refer to?
   A. Capacity
   B. Reliability
   C. Consistency
   D. Performance

9. Which scheduling tool shows the necessary sequence of activities in a project and identifies the critical path?
   A. Gantt chart
   B. PERT chart
   C. Detailed schedule
   D. Master operations schedule

10. When a purchaser in a firm brings all the needed materials at the precise moment as required for each production stage. Which production system does the purchaser has fulfilled?
   A. Process control system
   B. Quality control system
   C. Just-in-time production
   D. Custom-products production

11. _____ indicates good organisational citizenship.
   A. Asking for a pay raise
   B. Being able to help new employees
   C. Meeting job performance standards
   D. Using office supplies for business use

12. Which of the following refers to people who are self-aware, able to manage their emotions and motivate others?
   A. Attitude
   B. Empathy
   C. Social skills
   D. Emotional intelligence

13. Which of the following is an outcome when employees have positive attitudes towards their jobs?
   A. Demotivated
   B. Limited commitment
   C. Lack of determination
   D. Increased job satisfaction

Continued...

14. In return for contributions, the organisation provides _____ to individuals.
    A. inducements
    B. contributions
    C. psychological contracts
    D. all of the above

15. _____ can be implemented to achieve a more satisfactory fit between workers and their jobs.
    A. Job redesign
    B. Job enrichment
    C. Forming natural work groups
    D. Management by objectives (MBO)

16. All of the following does not describe the skills, abilities and qualifications required for a job **EXCEPT** _____.
    A. job description
    B. job specification
    C. replacement charts
    D. employee information system

17. Matthew works at a shopping mall during his semester break and gets paid for the number of hours he worked. This statement refers to which type of compensation?
    A. Bonus
    B. Wages
    C. Salary
    D. Incentive

18. _____ occurs while an employee is at work and most of this training is informal.
    A. Vestibule training
    B. On-the-job training
    C. Off-the-job training
    D. None of the above

19. Which of the following refers to employees hired to supplement a firm's permanent workforce?
    A. Union workers
    B. Contingent workers
    C. Knowledge workers
    D. All of the above

20. All of the following does not refer to employees temporarily walk off the job and refuse to work **EXCEPT** _____.
    A. strike
    B. boycott
    C. lockout
    D. mediation

Continued...

21. Creating _____ is the focus of modern marketing thinking and practice.
    A. profit maximisation
    B. increased stock value
    C. award winning products
    D. customer value and satisfaction

22. The _____ is the outside sources that affect marketing management's ability to develop and maintain successful relationship with its target customers.
    A. marketing system
    B. marketing network
    C. marketing organisation
    D. marketing environment

23. Which of the following elements are included in marketing mix?
    A. Product, price, place, and promotion
    B. Product, price, place, and psychographics
    C. Product, price, promotion, and production
    D. Place, promotion, price, and public relations

24. Which of the following is an example of geographic segmentation?
    A. Divide the market by age
    B. Divide the market by region
    C. Divide the market by gender
    D. Divide the market by income

25. Nowadays we can book flight tickets through internet. Identify the type of dimension of business environment?
    A. Legal environment
    B. Social environment
    C. Political environment
    D. Technological environment

26. The expensive engagement ring which will only purchase once in a lifetime is considered as _____.
    A. capital goods
    B. specialty goods
    C. shopping goods
    D. convenience goods

27. Long lasting products that facilitate development of finished product is categorised as _____.
    A. capital items
    B. natural items
    C. expense items
    D. production items

Continued...

28. Which of the following is **NOT** presented by the product life cycle that a firm must face?
    A. All products eventually decline.
    B. A firm must be good at adapting its marketing strategies.
    C. A firm must be good at developing new products to replace aging ones.
    D. Changing tastes, technologies, and competition will not affect the marketing of the product as it passes through lifecycle stages.

29. _____ is the approach of setting an initially low price in order to attract a large number of buyers quickly and win a large market.
    A. Price lining
    B. Psychological pricing
    C. Market-skimming pricing
    D. Market-penetration pricing

30. _____ channel ensures the product goes directly from the producer to the final customer.
    A. Direct distribution
    B. Retail distribution
    C. Wholesale distribution
    D. Distribution by agents or brokers

31. _____ is concerned with external users of information such as consumer groups, unions, stockholders, and government agencies.
    A. Financial accounting
    B. Managerial accounting
    C. Government accounting
    D. None of the above

32. Which of the following could be classified as an asset?
    A. Land
    B. Inventory
    C. Equipment
    D. All of the above

33. _____ is the formal recording and reporting of revenues in financial statements.
    A. Matching
    B. Compliance
    C. Full disclosure
    D. Revenue recognition

34. At _____, deposits are only accepted from members who meet specific qualifications, usually working for a specific employer.
    A. credit unions
    B. commercial banks
    C. mutual savings banks
    D. savings and loan associations

Continued...

35. A _____ is a promise by a bank to pay a foreign firm a certain amount of money if specific conditions are met.
    A. letter of credit
    B. currency exchange
    C. banker's acceptance
    D. none of the above

36. A nondeposit financial institution that invests funds collected as premium to provide coverage against losses is a(n) _____.
    A. credit union
    B. pension fund
    C. securities dealer
    D. insurance company

37. Which of the following is **NOT** a type of electronic funds transfer system?
    A. Demand deposits
    B. Electronic bill payments
    C. Automatic funds transfers
    D. Automatic teller machines

38. _____ is a financial institution that specialises in issuing and reselling new securities.
    A. A commercial bank
    B. An investment bank
    C. The second securities market
    D. None of the above

39. The current price of a share of stock in the stock market is called its _____.
    A. par value
    B. book value
    C. resale value
    D. market value

40. A secured bond is a bond_____.
    A. backed by the pledge of assets to the bondholders
    B. that is not backed by the pledge of assets to the bondholders
    C. that may be called in and paid for by the issuer before its maturity date
    D. bearing the name of the holder and registered with the issuing company

SECTION B: Structured Questions (60 Marks)

QUESTION 1

To start a new business, the first thing that all new businessmen or women should do is to set goals.

(a) What is a goal?

(1 mark)

Continued...

(b) What are the **FOUR (4)** main purposes of goal setting?

(4 marks)

(c) After goals have been set, organisations normally will go through SWOT analysis to formulate their strategy. What is meant by SWOT analysis?

(4 marks)

(d) Discuss the **THREE (3)** broad levels of strategy that organisations may implement.

(6 marks)

[Total 15 MARKS]

QUESTION 2

(a) People with high emotional intelligence may perform better especially in jobs that require a high degree of interpersonal interaction. Explain in detail the **FIVE (5)** elements of emotional intelligence.

(10 marks)

(b) Incentive programme is a special compensation programme designed to motivate high performance. State **TWO (2)** individual incentives and **THREE (3)** company-wide incentives that can be used by companies.

(5 marks)

[Total 15 MARKS]

QUESTION 3

(a) Assume that you work in a company that manufactures smart watch. List and explain the **FOUR (4)** key areas of utility that the product and company should achieve.

(8 marks)

(b) Successful businesses always come up with a good promotional plan. Describe any **THREE (3)** objectives of marketing promotion?

(3 marks)

(c) List and explain any **TWO (2)** types of promotional tools used by businesses to reach the customers and attract them to buy the products or services.

(4 marks)

[Total 15 MARKS]

QUESTION 4

(a) One of the users of accounting information is investors. What do investors use accounting information for? What ratio can be used to help investors measure the firm's potential earning? Quote one example of it and provide the formula.

(4 marks)

Continued...

(b) The following information is extracted from the Statement of Financial Position of GG Enterprise.

Inventory	RM10,000
Debtors	RM30,000
Creditors	RM25,000
Cash in hand	RM5,000

Based on the information, calculate the current ratio of GG Enterprise. Briefly explain what is current ratio used for.

(3 marks)

(c) The Rule of 72 is a quick calculation to see how fast our money doubles. If Adam invests RM10,000 into an account that earns a flat 6% annual rate of return, how long does it take for his investment to become RM20,000?

(1 mark)

(d) Success Corporation is facing insufficient funds to pay for its expenses. What are the ways that can be used to raise funds? Explain and quote one example for each.

(5 marks)

(e) Animal names have figured prominently in the stock market for years. Describe the meaning of bull market and bear market.

(2 marks)

[Total 15 MARKS]

End of Paper